

SUBJECT: A report and recommendation on a lease agreement between with the City and Music Hall Revitalization Company, for the use of the Historic Cincinnati Music Hall building in Over the Rhine.

Background: The Cincinnati Music Hall was constructed in 1878, based on the designs of Hannaford, Samuel, & Sons, a prominent architectural firm based in Cincinnati. It was built to replace of the old Saengerhalle as a venue to serve the German-American community's popular song festivals. The building was designed with a dual purpose - to house musical activities in its central auditorium and industrial exhibitions in its side wings. The city acquired title to the Music Hall property in 1941.

Originally a large open space performance hall with minimal seating, it was later renovated with additions often call wings aside the original performance hall and interior spaces were created to host a variety of public events, from weddings and receptions to dinners and parties. It is frequently used for large receptions, exhibitions, fashion shows, class reunions and breakfast, lunch and dinner gatherings. It is Cincinnati's dominant music and performing arts center. It serves as the home for the Cincinnati Symphony Orchestra, Cincinnati Opera, May Festival Chorus, and the Cincinnati Pops Orchestra. In January, 1970, it was recognized as a National Historic Landmark by the U.S. Department of the Interior. In 1973, the City Planning Commission designated the Cincinnati Music Hall as a locally "Listed Property" which was later approved by City Council as by emergency ordinance No. 214-1973.

Discussion: The Cincinnati Music Hall has served as the leading performance and exhibit hall in the City and Tri-state area for more than 100 years. The need for rehabilitation and renovation of the structure is acknowledged by the City administration and the arts and performance community that it serves. The cost associated with the construction has ranged from \$95 million to up to \$165 million based on the varying scope of the plans being discussed by the City administration. Strategies to fund the cost are being finalized and discussions favor a long term lease of the facility by the Music Hall Revitalization Company, who would manage the facility and with the approval and assistance of the City, fund and make the necessary revitalization changes to the building.

The lease has not been finalized and will be forwarded to City Council once it is finalized. At this time the City Solicitor's office has submitted to the planning staff the salient terms of the lease for review and recommendation by the City Planning Commission a recommendation to City Council. The salient terms relating to the lease are as follows:

1. Tenant: Music Hall Revitalization Company, an Ohio nonprofit corporation, 1241 Elm Street, Cincinnati, OH 45202.
2. Term: 75 years.
3. Permitted Use: The proposed Lease reads as follows:

"Tenant shall cause the Property to be continuously used (i) as a first-class performing arts and entertainment facility for performances and other entertainment and community events that are open to the public (which may be free of charge or for which admission may be charged), for the benefit of the people of the City of Cincinnati (the "**Principal Use**"), (ii) for private events such as receptions, dinners, parties, weddings, class reunions, and other social gatherings provided that such private uses do not materially impair the use of the Property for the Principal Use, (iii) for business and administrative offices in support of the Principal Use, and (iv) if desired by Tenant, for the provision of

services to employees and visitors (e.g., restaurants, food vendors and the like) provided that such uses do not materially impair the use of the Property for the Principal Use. Tenant shall not use the Property or permit the Property to be used for any other purpose without the City's prior written authorization.

The parties acknowledge that the Building has been used or is currently being used principally by the Arts Organizations.

4. Building Name: Tenant is not permitted to change the name of the building ("Music Hall") without the City's consent.
5. Subtenants and other users: MHRC will be enter into agreements, subleases and the like with the various arts organizations that currently use, and will continue to use, Music Hall (the Lease defines the "Arts Organizations" as: Cincinnati Symphony and Pops Orchestra, Cincinnati Opera, Cincinnati Ballet, and Cincinnati May Festival), as well as other users. The City will not review or otherwise be involved with MHRC's arrangements with the actual users of Music Hall.
6. Rent: \$1.00/year.
7. Operating Costs: MHRC will be responsible for all taxes, insurance, maintenance and repairs, and other operating expenses, except that: (i) the City (Facilities Management) will provide up to \$200,000/yr in years 2013 and 2014 (for a total of \$400,000) to pay for capital repairs/improvements; and (ii) the City will pay MHRC the \$100,000/yr that the City currently pays to the current operator of Music Hall (CAA – Cincinnati Arts Association) to help pay for operating expenses as required under an existing 1973 agreement between the City and the Corbett Foundation.
8. Approval of Plans for Project: The proposed Lease reads as follows:

Final Plans; Construction. Tenant shall provide the City with a copy of the plans and specifications for the Project (or the various phases thereof and at such times as the same shall have been prepared and approved by Tenant) for the City's review and comment (as the same may be revised by Tenant from time to time, the "Plans"), including without limitation review and approval by the City's Department of Planning and Buildings and the City's Historic Conservation Board. Tenant shall cause the Project to be completed substantially in accordance with the Plans (as provided to the City under this paragraph) and in a good and workmanlike manner. Notwithstanding anything in this paragraph to the contract, Tenant agrees to work cooperatively with the City to resolve any objections to the Plans that may be raised by the City.

Applicable Laws. Tenant shall obtain, pay for and maintain all necessary permits, licenses and other governmental approvals and shall comply with all applicable federal, state and local laws, codes, ordinances and other governmental requirements applicable to the Project, including without limitation those set forth, and including without limitation obtaining a Certificate of Appropriateness from the City's Historic Conservation Board. The City makes no representations or other assurances to Tenant that Tenant will be able to obtain whatever variances, permits or other approvals from the City's Department of Planning and Buildings, other City departments, City Planning

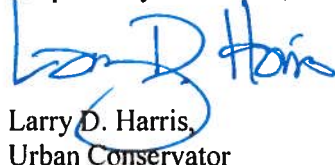
Commission, or the Historic Conservation Board that may be required in connection with the Project. To the extent that the City administration's participation in applications before the Historic Conservation Board may be necessary or useful as determined by Tenant, the City administration agrees to assist Tenant with such applications."

9. City Future Removal of Skywalk Bridge. The proposed Lease requires the City to consult with Tenant prior to removing the pedestrian skywalk bridge between Music Hall and the Town Center Garage on Central Parkway so that the parties can determine a mutually agreeable course of action to ensure safe and reasonable pedestrian access across Central Parkway to Music Hall, and handicapped access to the west side of Music Hall.

Recommendation: The staff of the Department of City Planning and Buildings recommends that the Cincinnati Planning Commission take the following action:

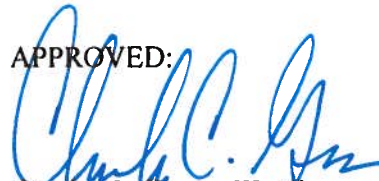
APPROVE and recommend to the Cincinnati City Council the long term lease of the Cincinnati Music Hall facility to the Music Hall Revitalization Company, an Ohio nonprofit corporation, located at 1241 Elm Street, Cincinnati, OH 45202, with terms and conditions outlined by the final lease agreement agreed to by both parties.

Respectfully Submitted,



Larry D. Harris,
Urban Conservator

APPROVED:



Charles C. Graves III, Director
Department of City Planning and Buildings